



FOR IMMEDIATE RELEASE

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CDBA Calls for Strong Support of the CDFI Fund in FY 2025 Budget to Boost Economic Vitality in Underserved Communities

The Community Development Bankers Association (CDBA), the national trade association for the Community Development Financial Institutions (CDFI) bank sector, today announced its appeal to Congress for significant support of the U.S. Department of the Treasury's Community Development Financial Institutions (CDFI) Fund in the Fiscal Year 2025 budget. The CDBA is urging a funding allocation of at least \$341 million, including a \$40 million allocation for the Bank Enterprise Award (BEA) Program, highlighting the crucial role of CDFI banks in fostering economic growth and reducing the wealth gap in America's most vulnerable communities.

The request comes in response to the modest increase proposed by the Biden Administration, which falls short of meeting the growing demand for services provided by CDFIs. With \$452 billion in total assets across 1,487 CDFIs as of the first quarter of 2023, the proposed \$341 million funding is a modest increase which does not begin to meet the needs of the underserved communities it supports. The \$341 million will leverage up to 12-times its initial value in private capital and be channeled to local businesses, nonprofits, and others to help vulnerable communities.

"CDFI banks are at the forefront of narrowing the wealth gap and fostering real economic opportunity in areas that are often overlooked by traditional financial institutions," said Jeannine Jacokes, Chief Executive Officer of CDBA. "The requested funding increase for the CDFI Fund and the BEA Program is essential to continue our mission of serving low-income, inner-city neighborhoods, and remote rural communities."

CDFIs have been instrumental in creating jobs, expanding businesses, and providing affordable housing through responsible lending. In FY 2022 alone, CDFI program awardees made over 1.4 million loans or investments totaling more than \$53 billion, significantly impacting affordable housing, consumer lending, and business

development in distressed communities. CDFI banks are often the only financial institution in these local communities focused on making a difference.

Moreover, the CDBA strongly supports an increase in the allocation for the BEA program, which incentivizes banks to invest in the nation's underserved communities. With an overwhelming demand and a proven track record of directing resources to areas of critical need, the BEA program is highly effective in channeling resources to the most distressed communities.

The CDBA's membership, comprising community development banks committed to making a difference in underserved areas, stands united in this request. Our member banks collectively urge Congress to recognize the importance of the CDFI Fund and BEA Program by providing robust funding levels that will enable continued support and growth of economic vitality in America's neglected urban and rural communities.

About CDBA

For 23 years, the Community Development Bankers Association has been the leading voice and champion of the community development banking movement. CDBA and its member banks are dedicated to making the banking industry a force for good by promoting financial inclusion and creating economic opportunity in the nation's most economically distressed rural and urban communities. To learn more about CDBA's mission and initiatives, please visit www.cdbanks.org.

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